

**HPK FINANCIAL CORPORATION**

	CPP Disbursement Date 05/01/2009	RSSD (Holding Company) 1138049	Number of Insured Depository Institutions 1		
Selected balance and off-balance sheet items	2010 \$ millions	2011 \$ millions	%chg from prev		
Assets	\$369	\$396	7.2%		
Loans	\$144	\$134	-6.4%		
Construction & development	\$16	\$13	-19.1%		
Closed-end 1-4 family residential	\$16	\$18	13.7%		
Home equity	\$10	\$9	-15.6%		
Credit card	\$0	\$0			
Other consumer	\$0	\$0	-3.1%		
Commercial & Industrial	\$4	\$4	1.3%		
Commercial real estate	\$29	\$30	0.1%		
Unused commitments	\$15	\$17	7.3%		
Securitization outstanding principal	\$0	\$0			
Mortgage-backed securities (GSE and private issue)	\$31	\$38	22.4%		
Asset-backed securities	\$0	\$0			
Other securities	\$166	\$165	-0.7%		
Cash & balances due	\$5	\$35	638.3%		
Residential mortgage originations					
Closed-end mortgage originated for sale (quarter)	\$0	\$0			
Open-end HELOC originated for sale (quarter)	\$0	\$0			
Closed-end mortgage originations sold (quarter)	\$0	\$0			
Open-end HELOC originations sold (quarter)	\$0	\$0			
Liabilities	\$340	\$363	6.9%		
Deposits	\$231	\$235	2.0%		
Total other borrowings	\$107	\$125	16.5%		
FHLB advances	\$23	\$50	117.4%		
Equity					
Equity capital at quarter end	\$30	\$33	11.0%		
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$0	NA		
Performance Ratios					
Tier 1 leverage ratio	9.0%	9.2%	--		
Tier 1 risk based capital ratio	17.0%	14.1%	--		
Total risk based capital ratio	17.9%	14.9%	--		
Return on equity <sup>1</sup>	-6.0%	4.5%	--		
Return on assets <sup>1</sup>	-0.5%	0.4%	--		
Net interest margin <sup>1</sup>	2.6%	2.7%	--		
Coverage ratio {(ALLL+Alloc transfer risk)/Noncurrent loans}}	23.7%	51.8%	--		
Loss provision to net charge-offs (qtr)	55.4%	97.1%	--		
Net charge-offs to average loans and leases <sup>1</sup>	3.5%	3.6%	--		
<sup>1</sup> Quarterly, annualized.					
	Noncurrent Loans		Gross Charge-Offs		
Asset Quality (% of Total Loan Type)	2010	2011	2010	2011	
Construction & development	6.0%	0.0%	0.3%	6.8%	--
Closed-end 1-4 family residential	3.0%	1.9%	0.7%	0.0%	--
Home equity	0.6%	2.5%	0.0%	0.7%	--
Credit card	0.0%	0.0%	0.0%	0.0%	--
Other consumer	0.0%	0.0%	0.0%	0.0%	--
Commercial & Industrial	0.0%	0.0%	0.0%	0.0%	--
Commercial real estate	3.4%	5.3%	1.5%	0.0%	--
Total loans	5.4%	2.7%	0.9%	0.9%	--